

THE HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.No.319 of 2007

04-01-2007

Between:-

E.V. Prasad

Petitioner

And

Andhra Pradesh Industrial Development Corporation
Limited,
Rep., by its Executive Director, Parisrama Bhavan,
Hyderabad and two others.

Respondents

THE HON'BLE SRI JUSTICE GODA RAGHURAM

W.P.No. 319 of 2007

Oral order:

The writ petition is misconceived. The petitioner assails the communication dated 02-11-2006 issued under the signature of the second respondent whereby the Earnest Money Deposit amount of Rs.2.00 lakh deposited by the petitioner was refunded by a cheque, in view of the cancellation of sale in favour of the petitioner.

The first respondent called for tenders for sale of machinery, land, building and collateral securities of a defaulting industry viz., M/s. Patchava Cements Limited, Vempally village, Nallacheruvu mandal, Nalgonda district

(for short 'the said Unit') under Section 29 of the State Finance Corporation Act, 1951. The petitioner submitted his bid for purchase of machinery, land, buildings of the said Unit, on 15-06-2005. At negotiations thereafter, the petitioner's bid Rs.126.00 lakh. He quoted Rs.50.50 lakh for the land and buildings and Rs.75.50 lakh for the plant and machinery. By proceedings dated 06-10-2005, the petitioner was informed that the sale of land and buildings of the said Unit in favour of the petitioner was approved for a sale consideration of Rs.50.50 lakh and the terms of payment was also intimated to him. By another communication also dated 06-10-2005, the first respondent informed the petitioner that the sale of the plant and machinery of the said Unit in favour of the petitioner was approved on a consideration of Rs.75.50 lakh; and out of this, an amount of Rs.15.00 lakh should be paid within a week and the balance amount of Rs.60.50 lakh, including the E.M.D. of Rs.2.00 lakhs, should be paid within one month from the date of the said letter. In this later letter, dated 06-10-2005 clause-9 states that the sale is subject to final orders in W.P.No. 10269 of 2004 and in case writ petition is allowed against the first

respondent-Corporation, the sale consideration paid by the petitioner would be returned without any interest.

According to the petitioner, in view of the litigious uncertainty, he paid neither the amount of Rs.15.00 lakhs within a week nor the balance of Rs.60.50 lakhs within one month from the date of the letter i.e., 06-10-2005. It is for this reason, the impugned letter dated 02-11-2006 has been issued.

As the petitioner has defaulted on the terms of the offer contained in the letter of the first respondent dated 06-10-2005, the petitioner is not entitled, in law, to seek the conclusion of sale.

Accordingly and on the above analysis, this court finds no infirmity in the communication dated 02-11-2006 addressed by the respondents to the petitioner. There are no merits. Accordingly, the writ petition is dismissed, at the stage of admission, after hearing the learned standing counsel for respondent Nos. 1 and 2— Sri. S. Sri Ram Reddy and the learned standing counsel for Respondent No.3-Sri T. Durga Reddy. No costs.

GODA RAGHURAM, J

Dated: 04-01-2007
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